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Title Mutuality in Business: Meanings and Organizational Interpretations

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Introduction

Approaches to ethical capitalism have flourished in recent decades, circulating new regimes of accountability and sustainability in business. The corporation, in particular, has been at the forefront of efforts to 'remoralize' capitalism, seeking to mitigate potentially harmful effects of business through new initiatives, from corporate social responsibility (CSR) to cause related marketing, that orient firms around more than the pursuit of profits. Recently, the ethical mandate of business has constellated around efforts to 'humanize' supply chains, witnessed in the recent emphasis on empowerment, partnership, and shared value. Within this context we find Mars, Inc.'s distinctive model of ethical capitalism founded on the principle of mutuality.

Mars, Inc.'s commitment to mutuality preceded the wave of CSR standards that fanned out through global supply chains in the 1990s. In 1947 Forrest Mars Sr. wrote that the company's 'objective' and 'total purpose' was to manufacture and distribute food products in 'such a manner as to *promote a mutuality of service and benefits*' among consumers, distributors, competitors, suppliers, government, and the company's employees and shareholders (emphasis in original) (see Jakub, this volume). Mutuality has since become a key structuring principle of the business and moved to the forefront of corporate ambitions in 2014 when Mars announced its intention 'to be the most mutual company in the world'. Yet despite the elevation of the principle, and its prime importance to the company, what such a declaration means in practice has been less easy to parse, spawning a multi-year research programme between Mars Catalyst and the Said Business School on 'conceptualizing and enacting mutuality', upon which this paper is based. The research, it was hoped, would generate broader understandings of mutuality as an economic model and management theory which could offer an alternative to the orientation towards 'maximising shareholder value' of existing corporate capitalism (Lazonick & O'Sullivan 2000).

The question the research posed was simple: how do individuals within Mars conceptualise mutuality? What does it mean to say that the business aligns its decisions with the principle of mutuality? How do we recognise mutuality's presence, and indeed its absence in business interactions? Does mutuality represent a value that is understood similarly across Mars' supply chains or one that is adapted to suit different contexts but nonetheless retains enough shared meaning to be recognisable across the company's sites?

This chapter, based on interviews with employees ('associates') and contractors at Mars[1], tracks our efforts to define and locate mutuality. Rather than assuming that different actors within Mars and its value chain were talking about the same thing when they referred to mutuality, we sought to draw out the differences, as well as the similarities, in the way actors used mutuality. We found that despite an over-arching sense of the principle as the Law of Moral Reciprocity, that is, 'Do unto others as you would have them do unto you' (Gewirth 1978), in practice mutuality incorporated multiple meanings that were at times competing and contradictory, as individuals, both within and beyond the corporation, invested mutuality with different capacities: while the business school partners treated mutuality as a new principle central to an emergent ethical capitalism, Mars' management claimed mutuality as a long-established value unique to their company; while associates tethered mutuality to norms of obligation and reciprocity, among the 'micro-entrepreneurs' that are part of a pilot program ('Maua') launched in Kenya,[2] the principle came closer to notions of patronage and dependence. Yet rather than creating confusion and discordance, we suggest that the ambiguousness of mutuality serves as a strategic resource for constellating unevenly shared interests, ambitions, and purposes. It is, we suggest, the mutability of mutuality that is key to its stability over time and that makes it useful when enacted both in internal and external relationships. In the remainder of the chapter, we discuss how the ambiguity of mutuality surfaces in the Mars ecosystem of relationships and identify *six underlying attributes*[3] *of mutuality in business* that enable its coherence as a corporate and organizing principle.

The 'Mutual' Corporation

Economic philosophers have long acknowledged that the contingent deployment of ethics can improve capitalism by removing inefficiencies that result from unethical behaviour

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[1] This includes interviews with Senior Leaders at Mars; new and longer-tenured employees who attended Mars' onboarding process; and associates and contractors involved in Mars' Maua Programme in Kenya.

[2] The Maua pilot was launched in 2013 in Dandora, a slum of Nairobi, in collaboration with Wrigley East Africa.

[3] These attributes were identified by our analysis of interviews, as well as by Mars' associates themselves.

(Kustin et al. nd). This reasoning also underpinned Forrest Mars' rationale for placing the mutuality of benefits at the heart of the business; the company, he believed, could only be successful if all stakeholders were successful, if there was a 'mutual flourishing of the company and all those associated with it' (Mayer 2015:3). Hence, the mutuality principle offers not an alternative to capitalism but rather a re-visioning of the corporation and its relationship with wider society, a vision founded on the belief that the incorporation of social and environmental values into business practice and decision making would stem the damaging consequences of 'non-mutual', corporate excess (Brady 2014), and catalyse transformational change in business-society relations (Roche and Jakub 2017).

Understood in this way, Mars' project to remake capitalism through the 'Mutuality in Business' (MIB) approach bears a striking resemblance to corporate value regimes such as corporate social responsibility (CSR). Yet, as we will discuss, both management and Mars associates sought to differentiate the MIB approach from other ethical business models, whether they be CSR, corporate philanthropy, shared value, or the long tradition of 'mutual businesses' for which membership is dependent on commitment, and benefit is dependent on membership (see Mitchie, this volume). Most notably, they also distinguished the MIB approach from the ideology of shareholder value, defining corporate success 'in much broader terms than profits for shareholders', in part because the company retains independence as a private, family business (Badger 2014: 2), which allows it to reinvest profits in the business, rather than simply liquidating them into dividends (Kustin et al. nd). Nonetheless, as Mayer notes, 'the mutual sharing of profits is central to the generation of profits that in turn are critical to mutual arrangements,' and '[p]rofit is required to promote commitment and reciprocal participation that is of mutual benefit to all parties' (Mayer 2015, pp. 9-11; also Mayer 2014). Hence, while the mutuality principle accords weight to profit and competitive advantage, it's explicit moral imperative diverges from the normative neoclassical model of individual self-interest, privileging instead the benefit that 'endures.'

Meanings of Mutuality at Mars

Mutuality often refers to the kind of distinctive ethical and economic relationships found among members of the same kinship group, and which are based on reciprocity and responsibility (Pina-Cabral 2013; Gudeman 2009). Mutuality thus entails a shared register of meaning, a normative expectation of how members of a community should behave toward one another. This conception of mutuality — as a mechanism of inclusion that guides interactions in the present as well as the future — is also implicit in Mars' approach to ethical business. At an organisational level, mutuality is portrayed as a fundamental aspect of corporate identity, which enables the company to deliver value (social, human, natural and financial) across its supply chains. This was elucidated by one associate who said that [in contrast to] 'other companies maybe where they write a manifesto or set of principles or values of a mission statement [that] sits on the wall or it sits in the drawer and no one really lives it… mutuality... holds us together as a business and the way we treat each other and the way we treat associates, the way we treat other stakeholders. So it's a very powerful narrative.' Mutuality was also linked by associates[4] to the Mars family and to the distinctive family ownership. Indeed, a common theme among our interviews with Mars Senior Leaders, as well as with associates at Mars Wrigley in Kenya, was the distinctive position mutuality occupied as one of Mars' *Five Principles*: quality, responsibility, mutuality, efficiency and freedom. One Senior Leader – a regional president for one of Mars' four segments – noted that:

> *you'll find a lot of the other companies, you know, that are, you know, what I call in the premier league, talk about efficiency, talk about quality, talk about responsibility, but I think the mutuality principle and the freedom principle are sort of kind of unique to the way we are owned and structured and heavily influence the way we operate.*

For this senior leader quality, efficiency and responsibility are unremarkable, everyday 'standards of services for business' rather than organizational values that guide 'ethical manager behaviour or employee action' (Williams (2011: 316). In contrast to these commonplace 'values', mutuality was viewed as a touchstone for organizational practice and a mobilizing element of corporate culture that cohered diverse actors, functions and interests.

Nevertheless, while mutuality is a powerful signifier that circulates among associates located in different segments, regions and sub-cultures of Mars, when asked to define the concept, associates offered varied interpretations. As one associate noted, '[m]utuality means so many different things to different people. We can read what's on every wall about what mutuality means, but mutuality might mean a certain thing [in abstract], but it also means something different to individuals.' Mutuality emerged as a decidedly amorphous concept, able to carry diverse meanings, which in turn – as we argue – afforded it stability

[4] This was particularly visible when Mars associates reflected on their Essence of Mars training. The Mars family emerged as one of the key artifacts, i.e., the embodiment of mutuality and family ownership.

over time and performed an important job; it made mutuality useful by allowing for situational enactment. This aspect of mutuality *as a principle that carries diverse meanings and is generative of organizational identity* is the first of six attributes that we found gave coherence to mutuality in business and helped to internalize the principle among diverse actors in the company.

In the following, we examine these varied interpretations, focusing on ways that mutuality was used by Senior Leaders and associates in Mars, and by associates and micro-entrepreneurs involved in Mars/Wrigley's project Maua in Kenya: (1) to make sense of the relationship between mutuality and growth; (2) to mark Mars' approach to mutuality as distinct from philanthropy/charity on the one hand, and corporate social responsibility and 'shared value' approaches on the other; and (4) to consider the possibilities and limitations of mutuality expressed over time. As becomes evident, there are tensions between the ways different actors talk about mutuality as either the property of a relationship or as an approach – in other words, whether mutuality is understood as something that can be enacted only by both parties to a relationship simultaneously, or unilaterally by Mars as a 'way' of doing business.

Mutuality and growth

'Mutuality talk' infuses all manner of staff communications at Mars. It is built into 'The Essence of Mars' (EoM) induction course and performance evaluations, is referenced continuously in Mars documents and everyday encounters, and is hyper-visible on the walls of hundreds of Mars' offices and manufacturing sites. Yet despite its ubiquity, some senior leaders found it difficult to speak about mutuality as a stand-alone principle and instead tied mutuality to growth. In the words of one regional president, 'I could work with growth we're proud of, that would be sufficient to me, and leave the five principles where they are.' For others, mutuality could only be instituted if the company performed above average and grew in a competitive market. 'I think mutuality only exists when we're talking about growing the pie,' a Senior Leader with a global role said, 'you know, about having the ability to make what we do bigger than what it is today. And if you go in there with that mindset, then you realise I can afford to be mutual. If you go in with a mindset of saying OK, I need to carve up what we have today differently, then that could never be mutual.' For another senior vice president, mutuality was tied to growth because of the shared benefits derived from enduring and mutually reinforcing business relationships, where both Mars and their partners require each other's success in order to grow themselves: 'And so I think, so mutuality I think has always been there and this idea that we want to have mutual benefits and, you know, our growth of our business needs to be the growth of others, and honestly we wouldn't have the positions we have in stores if it wasn't mutually advantageous for our customers.' In this sense, mutuality is manifested through the growth of all actors in the relationship(s). Indeed, it is precisely the tension between the pursuit of economic activity 'for its own sake' (i.e., competition and growth) as opposed to 'for the sake of something else' (i.e., mutuality broadly defined), that underpins the diverse conceptions of mutuality across the supply chain. We argue that *focusing on growth for all actors in the ecosystem of mutual relationships* is the second underlying attribute of mutuality in business that gives it coherence as an organizing principle.

Mutuality is not charity

Mars' associates carefully distinguished mutuality from forms of charity on the one hand and single-minded profit-maximizing 'business as usual' on the other hand, as logically opposed forms of economic action. Staking the 'business case' one senior leader commented, '[o]ne thing that has really kept us in the game is that it's not a charity.' Yet, several Senior Leaders expressed concern that the distinction between mutuality and charity or philanthropy was becoming blurred, or as one Senior Leader put it: 'misinterpreted mutuality could lead to the business being too philanthropic'. Others differentiated mutuality from philanthropy or charity by emphasising the difference between value transfer and mutual value creation. Thus, for one regional president, the immediate concern was 'how could we do more together with other corporations, something that is truly mutual but not charitable.' Value creation was the key to avoiding activities that were charitable rather than mutual:

> *When you just transferred value, you don't activate, and I truly believe in the concept of value being created by activities, actions, and how companies or how Mars can create activities that create value and in such a way that obviously this value is shared amongst those that participate in activities. So, and how can this value be shared in a fair way so that, you know, all participants feel like their level of contribution is rewarded with value they create and it's fair.*

Often mentioned by Senior Leaders as an exemplar of mutuality was Project Maua, which sought to enact mutuality by providing 650 informal micro-entrepreneurs the opportunity to distribute and sell confectionary products (including those of Mars' competitors) to small shops and kiosks in 'hard-to-reach' slums and rural communities of Kenya. Micro-entrepreneurs (deemed 'uplifters'), who hail from these communities, were rewarded with a small commission on each product sold, supplemented with an end-of-the-month commission-based bonus. Mars framed the initiative as a pioneering test case for the economics of mutuality, with the potential for replication across emerging markets (Roll and Dolan nd).

Yet while Project Maua was considered among Senior Leaders to be a pioneering approach of mutuality in the context of global business – and a distinctively Mars one at that – it was enabled by Mars/Wrigley staff in Kenya, for whom the boundaries between mutuality as philanthropy and mutuality as business were less clear-cut. One Mars/Wrigley associate working closely on Maua described her on-going efforts to remind staff that the project was about 'social benefits,' not just sales.

> *There's always tension for finance and sales [department] and us at Maua, because at Maua, we try the social agenda more. The sales team wants to see in-market sales numbers growing higher and higher everyday, and they don't understand why we have share-outs [with entrepreneurs].'* A senior manager added, *Everybody wants to jump in and say, "Okay, let's turn it into a selling tool," and I say, No, no, no, it's not a selling tool, we are looking at the social and economic benefit to the people. We have so many other tools to sell; we have our field sales rep, the other wholesalers, but this is about improving people's lives. I constantly have to keep everybody in check.*

Here too, we see the contradictions of mutuality, as associates wrestled with the relationship between economic and moral imperatives, revealing the third attribute of mutuality in business: *mutual relationships are expected to be neither charity nor amoral market transactions*. However, it is in offering the space to address these very contradictions where mutuality becomes visible, revealing the fourth attribute of mutuality in business: *mutuality has the capacity to accommodate contradictions* and evolve given the specific sociocultural contexts in which relationships in Mars' ecosystem are enacted.

Mutuality is not CSR or Shared Value

A common theme running through the interviews with Mars leaders was the portrayal of mutuality as a distinctive (and superior) approach to ethical business that offered a new form of 'moral' capitalism. Models of CSR, for example, were considered a step backwards from the economics of mutuality. In a graph illustrating the evolution of the corporation's social and environmental impact, CSR was plotted as an earlier and by implication less-evolved iteration of the moral corporation, associated in the captions with 'writing cheques,' 'risk management,' and driving only 'some positive change' (Roll and Dolan nd). Senior Leaders also distanced Mars' mutuality approach from the Shared Value model, espoused by Michael Porter and Mark Kramer (2011) and adopted by Nestlé, a competitor of the company. Mutuality, suggested one Senior Leader, constituted a 'higher bar' than Shared Value, because mutuality is 'seeking fairness':

> *The farmer is living in poverty, I can go and create some shared value by giving him some training, that will create some shared value, he'll be better off and he'll produce a bit more product. That's created shared value, but is that fair? No, I don't think so, he's still living in poverty… it'll be mutual when he's doing well and he is getting an appropriate return from the work he puts in. Now what does that mean? It almost certainly means more poverty, but it means at least a living wage, it means he's getting, you know, he's significantly more successful than he was before. It's difficult to decide but it's not just sharing a bit of value, it's seeking fairness.*

Here, mutuality or 'fairness' is neither separate from, or in addition to the business model, but *is firmly embedded within it.* We recognize this as the fifth attribute of mutuality in business.

Mutuality and time

Running through the various interpretations of mutuality is a sense that Mars' status as a family owned company and the long-term orientation this affords, enables business (whether the focus is on ethics or strategy) to be done differently. 'Above all,' the company explains, 'our private ownership gives us the freedom to take a long-term perspective on making investments, building businesses and providing for the well-being of our associates' (Mars 2017), unconstrained by the short-term mandates of the financial quarter (Kustin et al. nd). This points to the *long-term time orientation and enduring relationships* as the sixth underlying attribute of mutuality in business that we recognized in the Mars ecosystem. As a sales manager explained:

> *So every decision that I make when dealing with a new customer, I'm trying to think about mutuality, so what is right for them, what will make them the most profit and not leave them in a difficult situation of having to clear stock...in other companies it would have been "sell, sell, sell," and I think partly because you are targeted in sales in other companies on a quarterly basis on your results, and I think Mars, obviously we have those targets but I think there's a longer-term view and I think that can come from being family owned rather than owned by shareholders, who are after immediate results. Whereas with us, we can play the long game and build better, longer-lasting relationships.*

Yet, though Mars' longer-term orientation can facilitate enduring expressions of mutuality, time may also foreclose the ethical possibilities of mutuality. Like most multinationals, Mars draws significantly on (skilled and unskilled) contract labour across its global supply chains, whose relationship with the company is typically short-term. Because relationships between contractors and Mars are delimited in time, the nature and scope of mutuality can differ. As a human resources associate noted, contractors pose challenges to fulfilling the mutuality principle, as unlike permanent employees, they do not have the same access to company benefits such as training (Kustin et al. nd).

The importance of permanent or long-term business relationships was also salient for the micro-entrepreneurs working in Project Maua, who sought not the autonomy and self-sufficiency associated with entrepreneurial discourses but an enduring inter-dependent relationship. They hoped that their loyalty would eventually translate into permanent employment so that they could be brought more fully into the sphere of protection and patronage the company represented for them: 'They are good people. They told us that we put effort in the work and they can employ us; when an opportunity comes, they will give us. That is why we are working hard.' When actors in the value chain – such as micro-entrepreneurs - are not fully incorporated as associates, mutuality is less likely to work as a way to connect strategic and business concerns to a shared identity or corporate culture – and this has implications for how 'enduring shared benefits' may be conceived (Dolan nd). The difference in the contractual relationships between Senior Leaders and some Mars associates, as well as between Mars/Wrigley managers and Maua micro-entrepreneurs, means that the kinds of relationships and benefits that each would consider mutual and would like to see 'endure' differs. As Kustin et al. observe, while the more expansive timeframe enabled by family ownership may facilitate enduring business relationships, it does not, in and of itself, carry the potential for ethical possibility (Kustin et al. nd).

Conclusion

This chapter has examined some of the means through which one of Mars' core principle – mutuality - is constructed and diffused as framework for interpretation and action. Mutuality is a central organizing principle of corporate practice, working to cohere and diffuse organizational identity internally as well as externally. Yet, as our analysis of the content of mutuality suggests, the concept connotes multiple meanings and actions. There are significant differences in the way that Senior Leaders and Mars/Wrigley associates interpreted mutuality, and the way that micro-entrepreneurs participating in the Maua Program spoke about it – and key terms like 'just profit', 'shared benefits' and 'growth'. This ambiguity, however, worked to conceal the contradictory nature of these different forms of economic action (for example, from CSR and shared value to charitable action and patronage) and how they were represented, drawing together people with multiple agendas and coalescing seemingly incompatible perspectives. Indeed, it is precisely mutuality's lack of specificity that appeared to sustain its presence across the company and afforded adaptability in different contexts.

Drawing on the multiple meanings and organizational interpretations of mutuality in the Mars ecosystem, we made visible *six underlying attributes of mutuality in business that enable* its coherence as a principle. Mutuality: carries diverse meanings, as well as cultural identifications; focuses on growth for all actors in the company; is neither charity nor amoral profit maximization; is embedded within the business model; accommodates contradictions and allows for contextual adaptation; and has a long-term orientation predicated on enduring relationships. These attributes reflect the wide-ranging and strategic position of mutuality at Mars, and how the principle retains its productive capacity to forge a form of ethical capitalism that endures through time.

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